

# **THE UNITED STATES POSTAL SERVICE WHILE SEEKING GOVERNMENT DEREGULATIONS TO INCREASE MARKET COMPETITIVENESS, LET US NOT DISMANTLE THE CURRENT ADVANTAGES**

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The United States Postal Service, throughout most of America's history has held a stronghold in the markets of mail delivery, parcel shipping, and money transfers. This stronghold is comprised of Market Dominate and Postal Exclusive services and products. When an institution that has an historic stronghold in a market suffers losses in revenues due to emerging competitors, it is customary for the administration of the institution to first evaluate and compare the products and services of the emerging competitors. In case studies where the competition doesn't offer the consumer any real advantages, the administration then evaluate its internal operations, personnel, and facilities. This self-evaluation usually results in the closing of facilities, laying-off/firing of personnel, and a decline in services. In the case of the United States Postal Service, lay-offs, facility closings, and service cuts can be translated as "the dismantling of their competitive advantages".

When analyzing the market from the vantage point of the USPS, I believe we have overlooked a basic principle of business and emerging competitors, "The competitor doesn't create new customers or new revenue, both are taken from another source." With this in mind, let us re-evaluate the past events and then explore our options.

## **USPS SHIPPING**

### **VS**

## **COMPETITION**

After reviewing the testimony of Abdul Abernathy, shipping supervisor for Stanley Creations Jewelry Distributors, I was able to formulate a new understanding. In the market of shipping, the USPS's biggest competitors are of course, UPS and FedEx. According to the testimony of Mr. Abernathy, in most cases, the choice of outbound carrier is made by the customer, and the advantages of shipping with UPS and FedEx are:

- Tracking system (somewhat dependable)
- Locating lost packages (USPS does physical search, does not inform recipient or sender, and returns to sender when found)
- Refunding of shipping cost (a drudgery with USPS)
- Lost parcel claims, proving claim (timely process with USPS)
- Large volume customers receive free equipment (USPS lease postage meters)

Mr. Abernathy further explains the USPS deficiencies of "tracking numbers that don't track" and "slow delivery of parcel post".

However, Mr. Abernathy outlined some valuable advantages to shipping with the United States Postal Service:

- Lower overall shipping cost including first class mail (fast and cheap) (Market Dominant)
- Six day delivery, Saturday delivery at no extra cost
- Delivery to customers with P.O. Boxes (individuals and businesses) (Postal Exclusive)
- Delivery of priority mail to Alaska and Hawaii
- Custom branded boxes
- Etc...

Moreover, Mr. Abernathy states, "In order to earn our business, we strongly suggest to our shipping partner to deliver our packages as early in the day as possible". With this in mind, it is obvious the only feature used by UPS and FedEx to take shipping customers and revenue from the stronghold of the USPS is a somewhat dependable tracking system and prompt deliveries. We believe a reliable tracking system as proposed and in development by F. D. Foster, LLC, combined with the current competitive advantages will give the USPS the competitive edge needed to bring this American Institution back to the forefront of the shipping industry.

Including:

- Workforce; that handle any volume,
- Strategically placed facilities, accessible to public (number, locations, and official presence)

### **USPS MAILING SERVICES**

**VS**

### **COMPETITION**

Now let us consider the USPS declining market share of mailing services and money transfers. As before, we must first identify the emerging competitor, the Internet Service Providers. Private Internet service providers have migrated customers and revenues from the USPS to their virtual locations and addresses. When following the revenue that was generated from US Stamp sales, mysteriously, this money does not resurface as postage paid to Internet service providers because e-mail accounts are free. What amazingly happens is, this revenue resurfaces in the form of \$Billions of Dollars in Internet advertising. Although this migration appears to be harmless and legal, the USPS is not the only one to suffer losses from the event. The customer or more importantly, American Citizens not only lose the protection of the USPS, but they also failed to consider a fundamental fact prior to accepting a free offer, "Everything comes with a price". Rather than changing the format of this document by expounding on the current dangers of the Internet, let us continue to outline the customer's benefits, USPS mailing services versus the Internet Service Providers. We all should agree on the following benefits in using e-mail:

- Free Postage
- Speedy Delivery
- Automatic announcements of incoming mail
- Convenient, unlimited electronic mail delivery (as long as it is digital, it can be any size or shape, compressed, or delivered in sections, anywhere)

The benefits to customers using USPS mail delivery are different in nature, for they were created for the maintenance of civil liberties in a democratic society. They are based on basic

principles and are intended to preserve the privacy and freedom of the user, the citizens of America. The benefits to customers using USPS mailing services are:

- The secured mail delivery (e-mails can be hacked)
- The protection of the USPS and US Government (fraud deterrent)
- Police action against perpetrators of fraud
- Un-tampered mail (copies of e-mails, accounts, and user information are stored on server, administrators have access)
- Un-compromised mail and personal information (Internet service providers share information with affiliates and use information for their own purposes)
- Delivery confirmation, signature confirmation (sender cannot track e-mail after it has been sent)
- Customer's mail maintains its uniqueness, USPS mailing services doesn't make copies of customers' mail (Internet service providers store e-mails on their servers)
- Numerous physical locations, accessible to the public
- Trustworthy workforce

Most of these outlined benefits are natural to American existence, which allows our citizens to assume these standards are upheld on the Internet. Clearly there are physical limitations that will not permit the level of speed and convenience of e-mails to be applied to USPS mailing services. However, it is more than possible (inevitable) to apply the outlined benefits of USPS mailing services to e-mail. Moreover, the current Internet service providers do not have exclusive rights to the method of electronic mail delivery. Nor do they have exclusive rights to deliver our citizens' electronic mail. As a business/National Institution, when looking at the mailing competitors, we:

- now understand by what means the mailing customers of the USPS were taken,
- must accept the fact that American mailers, 77.3% of America's Population enjoy electronic mailing services, (It has been tested and proven)
- must increase the USPS market share of electronic mailing customers or suffer further losses
- must offer the mailing customer/American citizens an e-mail service that include the current advantages of USPS mailing services,

In closing, we believe that instead of focusing on the conventional means of saving an Institution, which we refer to as dismantling the current advantages, the USPS need make the two aforementioned technological additions to their current operations. These additions will return the USPS to the forefront of the shipping and mailing services markets, causing a positive impact on its financial condition.

- Real Time Tracking and;
- Electronic Mailing Services

Respectfully Submitted,  
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